

# EXCLUSIVE RIGHTS

By E Joseph Cossman

I have been in my own businesses for the past 40 years. I say “businesses” for I have been in 20 of them, each one different and each one making me a million dollars or more. In all of these 20 successful businesses, I only followed one rule which can be summed up in these 20 words: **“Don’t ever touch a product or service, unless every time it is sold, part of the profit comes back to you.”** These 20 words describe “Exclusive Rights.” When you have the Exclusive Rights to another company’s product or service, no one can buy that product or service unless it goes through you. You have a contract that says this.

My secret was to look for a product or service being sold in a very limited way. I would contact the manufacturer and get the Exclusive Rights to his product or service in fields he was not covering. In most cases I was successful and usually my initial investment was just postage and stationary. After I got the manufacturer’s literature, methods of how he does his business, even samples of his products, I contacted my customers. In some cases, I merely passed on my Exclusive Rights to a third party who was better organized to sell the product or service than I was.

**How You Can Get “Exclusive Rights”** One of the most common questions asked is “How can I get a manufacturer to give me Exclusive Rights to his product or service? I have identified and used 22 different ways to market the same product or service in the United States and throughout the world. Now imagine that I am a manufacturer and you wanted to get the Exclusive Rights to my line. You would contact me by phone or mail and ask “Are you selling your product or service to mail order houses? Are you selling to the consumer by direct mail? Are you selling to the premium industry? Are you selling to government post exchanges? Are you selling outside the country?”

Very few manufacturers sell their product more than two or three different ways. The conventional way is through a wholesaler to a dealer or to a retailer and then to the consumer. Keep in mind that you do not need all of the following ways to market the manufacturer’s product exclusively. Exclusive Rights to only one or more marketing approaches on a good product can be extremely profitable for you. How could you establish exclusive rights in any of the following areas of distribution?

<b>DIRECT TO THE CONSUMER</b> Door-to-door Party plan/Club plan Direct Mail/Mailing Lists Co-op Mailings <b>RESIDENT BUYER</b> to the Department Stores <b>SALES REPRESENTATIVES</b> who choose their niche Chain Stores Discount Stores Supermarkets Department Stores Leased Departments <b>MAIL ORDER CATALOGS</b>	<b>WHOLESALEERS</b> (or Jobbers) <b>FOREIGN TRADE</b> Export Import <b>SPECIALTY CHANNELS</b> Armed Forces Post Exchanges Premiums Advertising Specialties Franchises Trade Shows Fairs/ Expositions/Fund Raising Shows <b>MARKET THROUGH THE GOVERNMENT</b> Federal, state, county, city
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Also, remember this ... Exclusive Rights are completely different from becoming a distributor. But when you have obtained the Exclusive Rights, no one in your territory is allowed to sell the product unless the sale goes through you. When you are the distributor, the manufacturer can put on other distributors in your territory so you do not have control of the product.

You have heard me say this before ... I had 20 big winners in my lifetime. I call a winner any product I sold a

million or more. Out of my 20 winners, I only created two of them. The other 18 I picked up from manufacturers using these methods.

## HOW TO ASK FOR EXCLUSIVE RIGHTS!

When contacting a manufacturer for Exclusive Rights to his product, keep the following points in mind:

1. Every manufacturer is interested in increasing his sales. Fortunately for you, most manufacturers only sell their products or services two or three ways. Become familiar with Cossman's 22 sales methods so you can use this information to get what you want from the manufacturer.
2. You don't need the Exclusive Rights to all of the 22 ways. Settle for one or two ways and once you show the manufacturer what you can do, you probably can discuss the Exclusive Rights to other ways that he is not marketing.
3. Don't ever pay for the Exclusive Rights. After all, you're putting in your time, effort and knowledge and that should be your only investment. If a manufacturer wants to charge you or load you up with inventory, walk away. There are more products looking for people like you than there are people like you looking for products.
4. Don't buy a large inventory. If possible, just work with samples that you can get from the manufacturer, plus photography and other aids that he has already developed for his normal markets.
5. Don't be afraid to ask for what you want. As you get involved in this business, you'll be surprised at how little the average manufacturer knows about marketing and selling his product. Always start out by asking for more than you expect to get then you can always settle for less.
6. Since there are so many variables involved in getting the Rights to a product, it is difficult to give you a standard form letter. However, if you'll keep in mind the above points, you'll find many manufacturers more than willing to work with you. It will not happen every time and you will probably get a lot of refusals, but if you keep plugging away, you will eventually control a line of products or services that will support you in a grand style for the rest of your life.

If you can provide a manufacturer with sales in a market or territory he or she is not presently reaching, you have an excellent chance of landing the Exclusive Rights. It's important to project a professional image. This can be achieved by:

1. Typing your proposal on your company letterhead. Look professional.
2. Use trade publications and the Standard Rate and Data Services (SRDS) Directories to find mailing lists. For example, if you want to distribute sporting goods, SRDS Direct Mail List will direct you to mailing lists of sporting goods stores in America and SRDS Business Publications will direct you to trade magazines in the sporting goods field. These trade magazines are good stepping stones to trade shows and sales representatives. When your proposal is backed up with statistics showing thousands of potential distribution outlets ... lists of trade shows which are available ... and the ability to establish national sales representation ... you increase your chances of acquiring the Exclusive Rights you are seeking.
3. Your presentation to the manufacturer should be backed up by statistics showing the potential of the proposed market. You sell yourself by knowing the field and showing it.

You have several options in your relationship with the manufacturer: As an Exclusive Distributor you would buy and resell physical inventory. As an Exclusive Agent you would have the manufacturer carry inventory, ship the merchandise, bill the consumer and pay you a commission. Under a Licensing agreement you would

have the Rights to manufacture and sell the product. This is a common relationship in foreign trade where the costs of freight and duty prohibit importing the product. Compensation for licensing Rights is usually a fixed fee, a royalty or a fee plus royalty.

**NOTE FROM E.J.C.** Please keep in mind that a manufacturer wants to increase his sales as much as you want to get Exclusive Rights to his product or service. However, you must appear knowledgeable when you speak or write to him. You can get the required knowledge from the Cossman Home Study Program. Check us out at [www.cossman.com](http://www.cossman.com)

## **ACTIVITIES FOR THE CLASSROOM**

**Divide the class into small groups. Have each group select a different product from a display of products you have assembled. After discussing the following items, ask each group to share their ideas with the class.**

### **Instructions for Small Groups:**

- 1. Using Cossman's 22 ways to market a product, brainstorm how you might market this product.**
- 2. How might you modify the product for the different marketing approaches?**
- 3. Discuss how you might market this product in other countries.**
- 4. Identify specific countries you might like to export this product to and explain the reasons for your ideas.**
- 5. Where would you go to find out more about exporting this product?**

